

SHILOH FALLS UTILITIES, INC.

P. O. Box 1027
Savannah, Tennessee 38372

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TN REGULATORY AUTHORITY
DOCKET ROOM

October 29, 2002

Mrs. Sara Kyle
Chairman, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket #02-00289 – Compliance Audit of Shiloh Falls Utilities, Inc.

Dear Mrs. Kyle:

In reply to your October 16, 2002 inquiries, the Company's responses are:

- Question 1. Amounts paid for repairs by the Company have been in excess of amounts collected as O/M fees; thus, no accrual was made to reflect any liability. From 1997 thru 2002, the Company collected approximately \$2,695.00 in O/M fees. For the same period the Company paid \$2,837.95 for repairs.
- Question 2. Several homeowners located in the Shiloh Falls complex built homes prior to the installation of the Shiloh Falls sewer system. These homes used one central lot or common lot for the disposal of waste. There was only one line supplying those homes. Accordingly only one pump was needed. When those owners desired to convert to the sewer system, only one pump was needed and all lines were already connected to the homes.

In one location of the Shiloh Falls complex, zero lot line homes have been connected to one centralized pump. This was at the suggestion of the engineer that designed the sewer system. The lots of these homes are 40 to 60 feet wide. Frequently, room was not available for the installation of a pump for each home. After several owners encroached onto adjoining land with pumps, it was suggested that the sharing of pumps in this application be allowed. To our knowledge, no customer has ever requested and been denied the right to share a pump.

There is no common relationship, personal or business, with the owners of the utility and their customers. One owner that shares a pump is a related entity.

Should you have any questions or need any additional information, please do not hesitate to contact me.

Very truly yours,

SHILOH FALLS UTILITIES, INC.


By: Robert Shackelford

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SARA KYLE, COMMISSIONER
TN PUBLIC SERVICE COMM.